

IN THE BOARD OF SUPERVISORS
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

___ day of May, 2012

PRESENT: Supervisors

ABSENT:

RESOLUTION NO. _____

**A RESOLUTION APPROVING, AUTHORIZING AND DIRECTING
EXECUTION OF LEASE FINANCING DOCUMENTS AND AUTHORIZING
AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO**

WHEREAS, the Board of Supervisors (the "Board") of the County of San Luis Obispo (the "County") is authorized pursuant to the Government Code of the State of California to provide for the execution and delivery of certificates of participation, each of which will evidence proportionate interests of the owners thereof in certain lease payments to be made by the County; and

WHEREAS, the County, working together with the San Luis Obispo County Public Facilities Corporation (the "Corporation"), previously financed the construction and equipping of the County's Government Center in the City of San Luis Obispo, through the execution and delivery of \$29,615,000 aggregate principal amount of the County's Certificates of Participation (New Government Center Project), 2002 Series A, of which \$21,485,000 are presently outstanding and subject to prepayment (the "Refunded Certificates"); and

WHEREAS, pursuant to the terms of that certain Trust Agreement, dated as of December 1, 2002 (the "Trust Agreement"), by and among the County, the Corporation and U.S. Bank National Association, as Trustee (the "Trustee"), under which the Refunded Certificates were executed and delivered, the Refunded Certificates may be called for prepayment on October 15, 2012; and

WHEREAS, the Board has determined that conditions in the financial markets are amenable for the prepayment of the Refunded Certificates on terms favorable to the County; and

WHEREAS, the County wishes to request the assistance of the SLO County Financing Authority, a joint exercise of powers authority of the State of California (the "Authority"), of which the County is a Member, in order to effect such prepayment through the issuance of certain lease revenue refunding bonds of the Authority (the "Refunding Bonds"); and

WHEREAS, the County wishes to provide for the terms of such prepayment, through the approval of documents and the designation of professionals to aid the County in this process; and

WHEREAS, there have been presented to the Board the following documents:

1. Proposed form of Site Lease dated as of July 1, 2012, by and between the County and the Corporation (the "Site Lease");
2. Proposed form of Lease Agreement dated as of July 1, 2012, by and between the County and the Corporation (the "Lease");
3. Proposed form of Escrow Deposit and Trust Agreement, dated as of July 1, 2012 (the "Escrow Agreement"), by and between the County and U.S. Bank National Association, as Escrow Agent (the "Escrow Agent");
4. Proposed form of Bond Purchase Agreement (the "Purchase Agreement") to be entered into in connection with the sale of the Refunding Bonds by and among the County, the Authority and the Underwriter designated below; and
5. Proposed form of Preliminary Official Statement to be used in marketing the Refunding Bonds;

NOW, THEREFORE, the Board of Supervisors of the County of San Luis Obispo resolves as follows:

Section 1. The Board does hereby request and authorize the Authority to create and issue a series of its Lease Revenue Refunding Bonds, 2012 Series A, to be secured by lease payments due from the County under the Lease Agreement.

Section 2. The form, terms and provisions of the Site Lease are hereby approved, and the Auditor-Controller or any duly authorized deputy thereof (the "Authorized Representative") is hereby authorized and directed on behalf of the County to execute and deliver to the Authority the Site Lease in substantially the form presented to and heretofore considered by the Board, with such changes therein, however, as may be approved by the Authorized Representative, such approval to be conclusively evidenced by his or her execution thereof.

Section 3. The form, terms and provisions of the Lease Agreement are hereby approved, provided that the term of the Lease may not exceed 31 years from the dated date of the Refunding Bonds. The Authorized Representative is hereby authorized and directed on behalf of the County to execute and deliver to the Authority the Lease Agreement in substantially the form presented to and heretofore considered by the Board, with such changes therein, however, as may be approved by the Authorized Representative, such approval to be conclusively evidenced by his execution thereof.

Section 4. The form, terms and provisions of the Escrow Agreement are hereby approved. The Authorized Representative is hereby authorized and directed on behalf

of the County to execute and deliver to the Escrow Agent the Escrow Agreement in substantially the form presented to and heretofore considered by the Board, with such changes therein, however, as may be approved by the Authorized Representative, such approval to be conclusively evidenced by his execution thereof.

Section 5. The form, terms and provisions of the Purchase Agreement are hereby approved, provided that the aggregate principal amount of the Refunding Bonds shall not exceed \$25,000,000, the Underwriter's discount with respect to the sale of the Refunding Bonds shall not exceed 0.7% and the present value savings from the within refunding shall be at least 3% of the debt service with respect to the Refunded Certificates. The Authorized Representative is hereby authorized and directed on behalf of the County to execute and deliver to the Underwriter the Purchase Agreement in substantially the form presented to and heretofore considered by the Board, with such changes therein, however, as may be approved by the Authorized Representative, such approval to be conclusively evidenced by his or her execution thereof.

The Board has instructed the Underwriter to establish the terms, series, interest structure and redemption provisions for the Refunding Bonds upon consultation with the Authorized Representative in order to take advantage of financial market conditions prevailing at the date of sale of the Refunding Bonds. Depending upon market conditions, the Board may elect to purchase insurance to secure the payment of principal of and interest on the Refunding Bonds, or any portion thereof, following consultation with the County's Financial Advisor designated below and the Authorized Representative.

Section 6. The Board hereby authorizes the use of the Preliminary Official Statement with respect to the offering and sale of the Refunding Bonds. The Authorized Representative is hereby authorized to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule") prior to its distribution by the Underwriter.

The Authorized Representative is authorized and directed to cause the Preliminary Official Statement to be brought into the form of a final official statement (the "Final Official Statement") and to execute said Final Official Statement, dated as of the date of the sale of the Refunding Bonds, and a statement that the facts contained in the Final Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereof for the purpose of such statement) were, at the time of sale of the Refunding Bonds, true and correct in all material respects and that the Final Official Statement did not, on the date of sale of the Refunding Bonds, and does not, as of the date of delivery of the Refunding Bonds, contain any untrue statement of a material fact with respect to the County required to be stated where necessary to make any statement made therein not misleading in the light of the circumstances under which it was made. The Authorized Representative shall take such further actions prior to the signing of the Final Official Statement as are deemed necessary or appropriate to verify the accuracy thereof. The execution of the Final Official Statement, which shall include such changes and additions thereto deemed advisable by the Authorized Representative and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the Final Official Statement on behalf of the County.

The Final Official Statement, when prepared, is approved for distribution in connection with the offering and sale of the Refunding Bonds.

Section 7. The Board does hereby covenant and agree, for the benefit of the holders of the Refunding Bonds, that the County will comply with the Rule relating to secondary market and continuing disclosure. Failure of the County to comply with the Rule shall not be considered an event of default with respect to the Bonds; however, any registered owner of the Refunding Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this provision.

The Board does hereby authorize the Authorized Representative to execute and deliver by and on behalf of the County, for the benefit of the holders of the Refunding Bonds, a Continuing Disclosure Agreement (as it may be amended from time to time in accordance with the terms thereof, the "Continuing Disclosure Agreement") in form and substance substantially similar to that attached as an Exhibit hereto, said Continuing Disclosure Agreement to be dated the date of the sale of the Refunding Bonds.

The Board shall at all times do and perform all other acts and things necessary or desirable and within its power to assure compliance with the Rule.

Section 8. The Board hereby confirms the appointment of the law firm of Fulbright & Jaworski L.L.P. to act as Bond Counsel to the County and the Authority with regard to the Refunding Bonds, pursuant to the terms of a contract executed by and between such firm and the County; and the firm of Public Financial Management as Financial Advisor to the County, pursuant to a separate contract executed with the County; and designates Morgan Keegan & Company, Inc. ("Morgan Keegan"), or its successor, as Underwriter of the Refunding Bonds.

On April 2, 2012, Raymond James Financial, Inc. ("RJF"), the parent company of Raymond James & Associate, Inc. ("Raymond James"), acquired all of the stock of Morgan Keegan from Regions Financial Corporation. Morgan Keegan and Raymond James are each registered broker-dealers. Both Morgan Keegan and RJA are wholly owned subsidiaries of RJF and, as such, are affiliated broker-dealer companies under the common control of RJF, utilizing "Raymond James | Morgan Keegan" as their trade name. It is anticipated that the businesses of Raymond James and Morgan Keegan will be combined. The obligations of the Authority, the County and Morgan Keegan under the provisions of the Purchase Agreement will not be affected by such combination.

Morgan Keegan has entered into a distribution arrangement with Raymond James for the distribution of the Refunding Bonds at the original issue prices. Such arrangement generally provides that Morgan Keegan will share a portion of its underwriting compensation or selling concession with Raymond James.

Section 9. The Clerk of this Board is hereby authorized and directed to attest to the signature of the Authorized Representative whenever required or advisable for the transactions contemplated by this Resolution.

Section 10. The Authorized Representative and Clerk are each hereby authorized and directed to execute and attest such further documents, instruments and certificates as may be deemed necessary or advisable by Fulbright & Jaworski L.L.P., as Bond Counsel, in order to accomplish the purposes of this Resolution.

Section 11. Whenever in this Resolution it shall be provided that a document be executed or attested by the Authorized Representative or the Clerk, and if, at the time for execution or attestation of such document, such officer is not available for signature, it shall be sufficient for the purposes of this Resolution if (a) any duly designated deputy thereof shall execute such document in the place of said officer and (b) any other official designated by the Board shall attest such document in place of the Authorized Representative, with the same effect.

[Remainder of this page intentionally left blank.]

PASSED AND ADOPTED this ____ day of May, 2012, at San Luis Obispo, California.

On motion of Supervisor _____, seconded by Supervisor _____, the foregoing Resolution was duly adopted by the Board of Supervisors of the County of San Luis Obispo on May __, 2012, by the following vote:

AYES:

NOES:

ABSENT:

By: _____
Chairperson of the Board of Supervisors
of the County of San Luis Obispo

ATTEST:

County Clerk-Recorder and Ex-Officio Clerk
of the Board of Supervisors
of the County of San Luis Obispo

By: _____
Deputy Clerk

APPROVED AS TO FORM
AND LEGAL EFFECT:

WARREN R. JENSEN
County Counsel

By: AmDuggan
Deputy County Counsel

Dated: 4/27/12

STATE OF CALIFORNIA

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) ss

COUNTY OF SAN LUIS OBISPO

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I, _____, County Clerk-Recorder and Ex-Officio Clerk of the Board of Supervisors in and for the County of San Luis Obispo, State of California, do hereby certify the foregoing to be a full, true and correct copy of an order made by the Board of Supervisors, as the same appears spread upon their minute book.

WITNESS my hand and the seal of said Board of Supervisors, affixed this _____ day of _____, 2012.

County Clerk-Recorder and Ex-Officio Clerk
of the Board of Supervisors
of the County of San Luis Obispo

By: _____
Deputy Clerk

(SEAL)